

## BANKING AND COMMERCE COMMITTEE

## ADDITION TO MEMBERSHIP

**Hon. Mr. Aseltine:** Honourable senators, with leave, I move:

That the name of the Honourable Senator Robertson be added to the list of senators serving on the Standing Committee on Banking and Commerce.

The motion was agreed to.

## PRIVATE BILL

BELL TELEPHONE COMPANY OF CANADA—  
MOTION FOR THIRD READING—  
DEBATE CONTINUED

The Senate resumed from Thursday, October 31, the debate on the motion of Hon. Mr. Golding for the third reading of Bill C, respecting The Bell Telephone Company of Canada.

**Hon. P. H. Bouffard:** Honourable senators, it is getting late, and I do not want to be very long. May I first excuse myself for the fact that, owing to uncontrollable circumstances, I could not be here on Thursday, when the third reading of this bill was moved. I wish especially to thank all honourable senators for the great courtesy they have shown me when dealing with this matter in my absence. All of them—those who were not entirely satisfied as to the meaning of the bill, as well as those who were—have shown me extreme courtesy, and it makes me the more appreciative of belonging to an assembly which is so kind to every one of its members.

Certain members of the committee which dealt with the bill expressed doubt whether the effect of section 2 would not be to interfere to a certain extent with provincial legislation, especially as regards the securities commissions which operate in practically every province for the prevention of fraud. Certainly any such intention never entered the minds of the company or any of its officers, including the eminent lawyer who drafted the bill—and whom, I believe, most of you have seen before the committee. He assuredly never believed that federal legislation could, in any way, shape or form, cancel or invalidate that provincial legislation which was declared by the Privy Council to be within the jurisdiction of the provinces. His contention that no provincial laws are violated is based on the case of *Lymburn et al versus Mayland*. In that case securities commission legislation was attacked as being unconstitutional, and the Privy Council decided unanimously that there was nothing unconstitutional about this legislation, and that all these provincial commissions entrusted with the supervision of sale of securities rightly

existed and operated in each province, notwithstanding the fact that federally incorporated companies would be subject to these commissions. Since that time there has been no judgment of any court in which so much as an attempt has been made to question the constitutionality of any provincial legislation relating to commissions regulating the sales of securities. I repeat, therefore, that this was not in the mind of those responsible for drafting the bill.

It may seem to some honourable senators that the validation of issues of this kind by the federal authority is an encroachment upon provincial legislation. I met today with the honourable senator from Mille Isles (Hon. Mr. Monette), who spoke on this matter at the last sitting of the Senate, and I assured him that nothing of the kind was intended. The company certainly feels that no legislation passed by the central Government would enable a company to avoid provincial laws. At any rate, I informed the honourable gentleman that I would be glad to second any amendment that would clarify this legislation in the minds of honourable senators. The company never intended to bypass necessary "blue sky" laws, which come under the exclusive jurisdiction of the provinces.

I would like to comment briefly on the possibility of not sending this bill back to committee. As honourable senators know, time is limited for the handling of private bills in the House of Commons. If before the session ends the company is not authorized to increase its capital stock it will not be able to go through with its financing and expend a proposed \$198 million on work during 1958. This will mean unemployment for many, and a large number of applicants for telephone service will not be able to get it. The company will not be able to make certain improvements needed to enable it to give the kind of service it would like to give. It seems to me that a debate could be held now in this chamber and, if necessary, an amendment could be made to clarify the special situation which has already been discussed. If the amendment met with the approval of honourable senators it could be adopted and the bill could be read the third time and sent to the House of Commons as soon as possible.

## BILL AMENDED

**Hon. Gustave Monette:** Honourable senators, I am pleased with the explanation just given by the honourable senator from Grandville (Hon. Mr. Bouffard). May I assure the house that I have no intention of delaying passage of this bill. Last Thursday when the honourable leader opposite (Hon. Mr. Macdonald) moved the adjournment of